



# U.S. ECONOMIC ASSISTANCE PROGRAM IN EGYPT 04-318

**CONFORMED  
COPY**

Agreement Number 263-0286

## STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN THE

ARAB REPUBLIC OF EGYPT

AND THE

UNITED STATES OF AMERICA

FOR

BASIC EDUCATION

Dated:

30 SEP 2002

"Certified to be a true copy of  
the original documents signed by  
Ambassador C. David Welch; and  
Fayza Aboulnaga, Minister of State  
for Foreign Affairs."

*Monica Smith*  
Monica Smith  
Legal Advisor

FUNDS RESERVED			
App.	722/31037	Proj. No.	P020225
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USAID Grant No. 263-0286

STRATEGIC OBJECTIVE GRANT AGREEMENT

For

BASIC EDUCATION

Dated: 30 SEP 2002

Between

The Arab Republic of Egypt ("A.R.E." or the "Grantee")

and

The United States of America, acting through the  
United States Agency for International Development  
("USAID").

Article 1: Purpose.

The purpose of this Strategic Objective Grant Agreement ("Agreement") is to set out the understanding of the parties named above (the "Parties") about the Strategic Objective and Results described below.

Article 2: Strategic Objective and Results.

Section 2.1. Strategic Objective. The Strategic Objective (the "Objective") sought by this Agreement is "Improved Access, Quality and Efficiency of Basic Education (with emphasis on

girls)."

Section 2.2. Results. In order to achieve the Objective, the Parties agree to work together to achieve the following Results (the "Results"):

1. improved instructional quality and learning environment;
2. increased availability and accessibility of schooling;
3. increased opportunity and support for disadvantaged children;
4. improved institutional capacity to plan, manage, assess, and deliver educational services; and
5. rational, improved sector financing.

Section 2.3. Annex 1, Amplified Description. Annex 1, attached, amplifies the above Objective and Results, and describes the activities necessary to achieve them and the indicators by which their achievement will be measured. Within the limits of the above definitions of the Objective and Results in Sections 2.1 and 2.2, Annex 1 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

Article 3. Contributions of the Parties.

Section 3.1. USAID Contribution.

(a) The Grant. To help achieve the Objective and Results set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the A.R.E. under the terms of this Agreement an amount not to exceed Twenty-Three Million Four Hundred Thousand United States ("U.S.") Dollars (\$23,400,000) (the "Grant").

(b) Total Estimated USAID Contribution. USAID's total estimated contribution to the achievement of the Objective under this Agreement will not exceed Sixty Four Million Six Hundred Thousand U.S. Dollars (\$64,600,000), which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and the mutual agreement of the Parties, at the time of each subsequent increment, to proceed.

Section 3.2. A.R.E. Contribution.

(a) The A.R.E. agrees to provide or cause to be provided all funds, in addition to those provided by USAID, and all other resources required to complete, on or before the Completion Date, all activities necessary to achieve the Objective and

Results in this Agreement.

(b) Subject to the availability of funds for this purpose, the A.R.E.'s contribution will not be less than the Egyptian pound equivalent of Seventeen Million Five Hundred Fifty Three Thousand U.S. Dollars (\$17,553,000) (including both cash and in-kind contributions).

Article 4: Completion Date.

(a) The Completion Date, which is September 30, 2009, or such other date as the Parties may agree in writing, is the date by which the Parties estimate that all the activities necessary to achieve the Objective and Results will be completed.

(b) Except as USAID may otherwise agree in writing, USAID will not issue or approve documentation which would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters as provided under Article A, Section A.2. of the Standard Provisions Annex (Annex 2), attached, are to be received by USAID no later than nine (9) months following the Completion

Date, or such other period as USAID agrees in writing before or after such period. After such period USAID, at any time or times, may give notice in writing to the A.R.E. and reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, were not received before the expiration of such period.

Article 5: Requirement Precedent to Disbursement.

Section 5.1. First Disbursement. Prior to the first disbursement under the Agreement, or to the issuance by USAID of documentation pursuant to which such disbursement will be made, the A.R.E. will, except as the Parties may otherwise agree in writing, furnish to USAID in satisfactory form and substance a statement of the names and titles of the persons authorized pursuant to Section 7.2 to act as the representatives of the counterpart Ministry for each activity identified in Annex 1, and of any additional representatives, together with a specimen signature of each person so designated.

Section 5.2. Notification. USAID will promptly notify the A.R.E. when USAID has determined that the requirement precedent specified above have been met.

Section 5.3. Terminal Date for Requirement Precedent to Disbursement. The terminal date for meeting the requirement specified in Section 5.1 is ninety (90) days from the effective date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the requirement precedent in Section 5.1 has not been met by the above terminal date, USAID may, at any time, terminate this Agreement by written notice to the A.R.E.

Article 6: Special Covenants.

Section 6.1. Payment of Taxes, Tariffs, Duties and other Levies. To the extent that any of the funds provided under the Agreement are used to pay any taxes, tariffs, duties or other levies (including social insurance) for which an exemption is provided under Section B.4. of Annex 2 hereto, the A.R.E. agrees that the Ministry of Education, and the Ministry of Higher Education and Scientific Research, as appropriate, shall, unless



otherwise expressly provided in Implementation Letters, pay the same with funds other than those provided under the Agreement.

SECTION 6.2. Documentation Required for Duty-Free Importation of Commodities and Personal Effects. The A.R.E. agrees that the Ministry of Education, and the Ministry of Higher Education and Scientific Research, as appropriate; shall provide to the Egyptian Customs Authority whatever documentation is required by, and is acceptable to, the Egyptian Customs Authority for the duty-free importation of any commodities (including vehicles) and personal effects for which an exemption from taxes, tariffs, duties, or other levies is provided under Section B.4. of Annex 2 hereto.

SECTION 6.3. Monitoring and Evaluation. The Parties agree to establish a monitoring and evaluation program as part of the Agreement. Except as the Parties otherwise agree in writing, such program will include, during the implementation of the Agreement, and at one or more points thereafter:

(a) systematic monitoring and reporting of progress on performance indicators (as described in Annex 1 hereto) during the Agreement period;

(b) formal evaluation or review of the Agreement at critical points during the Agreement's implementation, using the information provided to improve attainment of the Agreement's Objectives; and

(c) a summary of the performance indicators and development impact achieved as a result of the Agreement.

Article 7: Miscellaneous.

Section 7.1. Communications. Any notice, request, document, or other communication submitted by either of the Parties to the other under this Agreement will be in writing or by telegram, telefax or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the A.R.E.:

Ministry for Foreign Affairs  
Department of Economic Cooperation with USA  
International Cooperation Sector  
48/50 Abdel Khalick Tharwat Street  
Cairo

Ministry of Education  
12 Falaky Street  
Cairo

Ministry of Higher Education  
101 Kasr El Aini Street  
Cairo

To USAID:

USAID  
Plot 1/A, Off El-Laselki Street  
New Maadi, Postal Code 11435  
Cairo

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

Section 7.2. Representatives. For all purposes relevant to this Agreement, the A.R.E. will be represented by the individual holding or acting in the Office of the Minister of State for Foreign Affairs and/or the Administrator of the Department for Economic Cooperation with U.S.A., International Cooperation Sector, and USAID will be represented by the individual holding or acting in the Office of Director, USAID, each of whom, by written notice, may designate additional

representatives for all purposes other than signing formal amendments to the Agreement or revising the Strategic Objective or Results. The names of the representatives of the A.R.E., with specimen signatures, will be provided to USAID, which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 7.3. Standard Provisions Annex. A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

Section 7.4. Language of Agreement. This Agreement is prepared in both English and Arabic. In the event of ambiguity or conflict between the two versions, the English language version will prevail.

SECTION 7.5. Ratification. The A.R.E. will take all necessary action to complete all legal procedures necessary for ratification of this Agreement and will notify USAID as promptly as possible of the fact of such ratification.

Section 7.6. Effective Date. This Agreement shall enter into force when signed by both Parties hereto.

IN WITNESS WHEREOF, the Arab Republic of Egypt and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY :

NAME : Fayza Aboulnaga

TITLE: Minister of State for Foreign Affairs

UNITED STATES OF AMERICA

BY :

NAME : C. David Welch

TITLE: Ambassador

BY :

NAME : Maissa El Gohary

TITLE: Acting Administrator  
Department for Economic  
Cooperation with U.S.A.,  
International Cooperation  
Sector

BY :

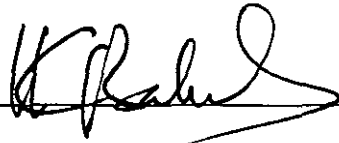
NAME : Anne Aarnes

TITLE: Acting Director,  
USAID/Egypt

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representative of the implementing organization has subscribed his name:

BY :

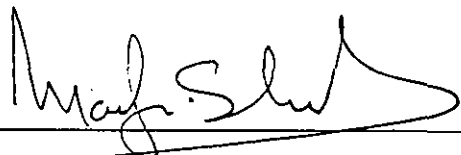


NAME : Dr. Husain Kamel Bahaa El Din

TITLE: Minister of Education

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representative of the implementing organization has subscribed his name:

BY : 

NAME : Dr. Mufid Shihab

TITLE: Minister of Higher Education & Scientific Research